

RESOLUTION NO. 133-2002

Adopted July 9, 2002

**EXPRESSING THE AGENCY'S INTENT TO ISSUE MULTIFAMILY
MORTGAGE REVENUE BONDS OR NOTES IN ONE OR MORE SERIES
IN AN AMOUNT NOT TO EXCEED \$25,000,000 TO FINANCE RESIDENTIAL
FACILITIES FOR REDEVELOPMENT PURPOSES ON PARCEL 1 OF BLOCK
N3A; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA**

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") is a public body organized and existing pursuant to Part 1 of Division 24 of the California Health and Safety Code (the "Law") and is authorized by Chapter 8 of the Law to finance residential construction.
2. The Commission authorized an Exclusive Negotiations Agreement ("ENA") with Mercy Housing California, a California nonprofit public benefit corporation (together with its assignee, the "Developer") on January 16, 2001. The initial term of the ENA was 18 months including extensions granted by the Executive Director as provided for in the ENA. Concurrent with this resolution, the Developer has requested a 12-month extension of the ENA to enable it to secure tax exempt bond financing from the state.
3. The Developer has requested that the Agency issue and sell its mortgage revenue bonds pursuant to the Law in an amount not to exceed \$25,000,000 to finance a residential mixed use project of approximately 140 units to be located on Parcel 1 of Block N3a in the Mission Bay North Redevelopment Project Area in the City and County of San Francisco, California (the "Project").
4. The issuance of the bonds on a tax-exempt basis will require an allocation from the California Debt Limit Allocation Committee, after application from the Agency in accordance with the application process and competitive award of such allocation (including payment of application fees and posting of a performance deposit in an amount of up to 1% of the principal amount of the requested amount of bond allocation).
5. The Agency wishes to declare its official intention, within the meaning of Treasury Regulations Section 1.142-4 and Section 1.150-2, to authorize the issuance of the bonds when requested by the Developer, on terms and conditions to be determined at such time by agreement between the Agency and the Developer.

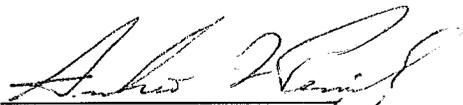
6. On November 6, 2001, the Agency Commission authorized a predevelopment loan to the Developer in an amount not to exceed \$1,966,515. The Developer expects to request additional permanent financing prior to the issuance of the bonds later in 2002.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

1. Subject to negotiation to the satisfaction of the Agency of financing and other Project related terms and conditions, the Agency expresses its official intent to issue mortgage revenue bonds or notes in one or more series in an amount not to exceed \$25,000,000 to provide financing to the Developer for the Project in the form of construction and/or permanent loans.
2. This expression of intent does not give the Developer any claim or rights against the Agency or any entitlement to the financing described above. The failure of the Agency to provide such financing, for any reason whatsoever or for no reason, shall not create any liability of the Agency to the Developer. Nevertheless, the Agency acknowledges that the possible availability of financing from the Agency is an inducement to the Developer to undertake the Project in the manner described by the Agency.
3. The Executive Director, Treasurer, Secretary and Assistant Secretaries, Agency General Counsel, Deputy General Counsel and other officers are authorized to execute and delivery any and all documents and to take any and all other actions necessary to consummate the transactions described in the Resolution; including making application to the California Debt Limit Allocation Committee; paying application fees, entering into a deposit agreement and posting any required performance deposit (the execution and delivery of any such fee, document or deposit shall be conclusive evidence of its approval); and arranging the required public hearing pursuant to Section 147 of the Internal Revenue Code of 1986.

APPROVED AS TO FORM:


for Bertha A. Ontiveros 7/7/02
Agency General Counsel